

Chapter Two: Direct Marketing – Producer to Consumer



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Why Direct Marketing?

Direct marketing is selling your product directly to the consumer or end-user, rather than through a broker, distributor or wholesaler. Sometimes confusing the matter, direct marketing is also used to describe the sale of food directly to a restaurant, grocery store, caterer, processor, etc., who will then resell the food to customers. These types of sales are actually sales to intermediate buyers, which is covered in Chapter Three.

Direct marketing continues to grow in Michigan and across the U.S. Interest in food production and marketing activities is growing everywhere – in rural, urban and suburban areas. Growth areas include the number of businesses included in direct marketing, the total value of direct marketing sales, and direct market sales per business.

Several factors have led to a growing consumer interest in purchasing directly from farmers: the desire for fresh, high-quality products; the ability to personally interact directly with farmers who grew/raised the food; and interest in supporting local, small farms. Availability of product information such as growing method, instructions about use, recipes, and taste samples also draw customers to direct-marketing outlets.

Businesses who sell their products directly to consumers can get a better price for their products than on the conventional commodity market. This is especially true for small to mid-sized farmers who do not produce large quantities of any one commodity. Small production quantities can actually be an asset when selling directly to local buyers, because the product is unique, and therefore special, to the consumer.

There are also many personal or non-monetary benefits to direct marketing, including building relationships with your customers and the satisfaction you feel when you directly supply fresh, wholesome food to people who appreciate its value and who let you know how much they appreciate your efforts. You also have the satisfaction of being a small business owner and often get to work closely with family members during the day-to-day operations, from planting, harvesting and processing to marketing your products.

Successful direct marketers produce a high-quality product and emphasize the freshness and quality of the food to their customers. When pricing their products, they set a price that allows them to make a profit. Direct marketing helps link a community's social and economic development and fosters connections and relationships between producers and consumers.

For many of your current or potential customers, how and where you sell your products may be as important as the products themselves. In a world where most consumers are several



generations removed from the farm, the ability to make a personal connection with the farmer who grows a product is a very important part of the shopping experience. Many direct markets also provide an educational, entertainment or social component, making shopping at a direct marketing venue even more appealing.

There are several methods of direct marketing to choose from. The remainder of this chapter describes these direct marketing methods and the advantages and challenges of each type of market.

Farmers Markets

Farmers markets are one of the oldest forms of direct marketing by small farmers. In the last decade they have become a favorite marketing method for many farmers throughout the U.S., and a weekly ritual for many shoppers. Many small food processors also find farmers markets a valuable marketing channel.

A farmers market is a place where a number of growers assemble on a particular day and timeframe to sell farm products directly to consumers. The sites are often parking lots, streets closed during the market, parks, etc., or they can be inside a building. Most farmers markets in Michigan are seasonal, open spring through fall for the traditional growing season. A growing number of farmers markets are operating

year-round. Farmers sell their products from “stands” that may consist of the back of a farm truck or a simple tabletop, to elaborate and attractive tents or covered displays. Some farmers markets have live entertainment or offer cooking classes or demonstrations.

Farmers markets are a good place for producers who want to try direct marketing. Farmers generally receive retail prices or higher for their products. Start-up costs for becoming involved in a farmers market can be very inexpensive — just a stall fee in some instances. Because of the low start-up investment, farmers markets can provide a low-risk setting for new farmers or an opportunity to try marketing new products.

Many farmers participate in more than one market to increase their sales. Market location, characteristics, rules and regulations, and insurance requirements



are all things you need to consider when selecting which farmers market to sell your products.

Maintaining good working relations with the market manager and other vendors at the market is extremely important. They are your selling partners. A customer who has a great experience with all the vendors at the market is more likely to return and shop at multiple vendor booths. Customers also prefer to shop at markets that offer a wide variety of shopping options, so the other vendors are not necessarily your competition, but a draw for customers.

Location is extremely important to the success of any farmers market. In general, the most successful farmers markets are highly visible from streets and walkways; allow vendors access to telephones, electrical outlets, water and bathrooms; have adequate, nearby parking or good public transportation options for customers; have other businesses nearby that sell products similar to what might be sold at a farmers market; are clean and easy to keep clear of litter and other debris; and are close enough to your farm to make it easy for you to get to the market on a regular basis.

Benefits and Challenges of Farmers Markets

At farmers markets, you can set your own price, connect directly with your customers, learn customer preferences, build a reputation for your business and products, sell varying kinds and amounts of products, and introduce new products to gauge customer response. You also sell what is available for harvest that week, so there are no pre-market promises to fulfill. Newer farmer/vendors can learn from veteran vendors as they market their products side-by-side, and it is relatively easy to make changes in how and what you market, based on your experiences at the farmers market.

Farmers markets also provide the opportunity to build a customer base. Some farms advertise other outlets for buying their products (other farm direct marketing methods, or retail stores, for instance).

Gross returns from sales at farmers markets generally are much higher than from sales to wholesalers and distributors. Small farmers can avoid the high costs associated with shipping agricultural produce, by driving their own vehicles to transport their produce to the markets. Beyond the financial benefits of farmers markets, they provide an opportunity for producers to integrate themselves into the community, develop relationships with their customers, and increase their customer base.



Communities also benefit from farmers markets. Dollars spent on food are recycled several times within the community and thereby help boost the local economy.

One challenge of selling at a farmers market is there is no guarantee you will sell all of the products you bring to the market, so you may need a plan for what to do with your perishable products (food bank donations should be considered). You don't want to get into the habit of selling your produce cheaper at the end of a market or you could undermine other sellers, establish a pattern of customers who wait to shop until the end of a market to get a discount, and devalue your products over the long run. Once you have been at a market a few times, you will get a better idea of how much product to bring with you each time.



The Michigan Farmers Market Association (MIFMA) is a member association available to farmers, market managers, vendors and general supporters of farmers markets in our state.

You also need to be at the market at the required times regardless of the weather or other commitments. Some market rules state

that farmers will be banned from future markets if they miss a market or leave early. Customer loyalty may be to the market, not to you as an individual vendor. You can minimize this by differentiating your products from the other vendors' farms and products. You can also work hard to get to know your customers and their likes and dislikes, or greet them by name.

Finding and Joining a Farmers Market

The Michigan Farmers Market Association (MIFMA) is a member association available to farmers, market managers, vendors and general supporters of farmers markets in our state. MIFMA maintains a list of farmers markets in Michigan to help farmers and consumers locate markets that may suit their needs, and offers a variety of resources to producers, market managers and others who are involved in farmers markets, including training, group liability insurance, networking, funding, and marketing resources.

Several other regional, state and national resources and market listings are available to help you promote your farm and the markets where you sell your products. These are listed in the resources area at the end of this section.

State Regulations on Food Safety and Labeling at Farmers Markets

The Michigan Department of Agriculture & Rural Development (MDARD) is the regulatory agency responsible for inspections and licensing at farmers markets. Local health departments also inspect and license certain businesses at farmers markets, when the businesses include a food service component (e.g., a vendor selling ready-to-eat food items). The primary reason for licensing and inspecting any food establishment is to ensure safe handling of food products from the farm gate to the dinner plate.

Farmers markets are inspected using the Michigan Food Law and Michigan Modified Food Code. MDARD has developed a “Temporary Food Establishment Operations Checklist” and a “General Inspection Guide for Farmers Markets” to help businesses that sell at farmers markets understand the regulatory requirements. A guide to sampling food products at farmers markets has also been developed, along with reference materials for farmers, market managers, and consumers. The documents and related links help promote uniformity of inspection; provide guidance and compliance assistance to developing farmers markets; and outline food safety and operational standards for market managers and vendors. Copies of these documents are available at www.michigan.gov/farmersmarkets.

There are product-specific requirements for sampling, packaging, labeling, and handling foods at farmers markets. For more information about licensing requirements for various types of products sold at farmers markets, see the chart in Chapter Five.

Regulatory Exemptions for Farmers Markets

There are several exemptions from licensing at farmers markets based on law and policy. A food establishment may be exempt from licensing, but is not exempt from aspects of food safety or consumer protection. For instance, farmers who sell whole, raw, uncut produce at a farmers market do not need a license to do so. Farmers or food processors licensed at their production facility do not need a license to sell their own processed products at a farmers market, but must meet regulatory requirements of the Michigan Food Law.

Specific examples of exempted establishments that may be present at farmers markets include:

1. Retailers of whole, raw, uncut produce: Sites may be temporary or permanent in duration. This may include open-air roadside sites, tents, open-air markets, market stalls, or operations located within a building.



2. Licensed agricultural producers and food processors, retailing products of their own production: Must be licensed at the base facility; products must be made exclusively from producer's own product (e.g., meat, poultry, and cider).
3. Licensing is not required for egg producers that process eggs for sale directly to consumers. Licensing is also not required for producers that sell eggs of their own production to egg processing establishments.
4. Processors/producers of prepackaged, non-potentially hazardous and/or shelf-stable foods selling products of their own production: Must be licensed at the base facility and products must be transported, handled, and sold by an employee of the firm. This includes all establishments licensed under the Michigan Food Law.
5. Producers of prepackaged, non-potentially hazardous foods operating under the Cottage Food Exemption. For Cottage Food requirements, visit www.michigan.gov/cottagefood.
6. Retailers of honey and maple syrup: Product must be of seller's own production and must be licensed at base facility. Exemptions exist under the Michigan Food Law that provides hobbyists of honey and maple syrup exclusion from licensure in certain conditions. For more details, visit www.michigan.gov/mdardmarketingguide
7. Temporary food establishments with only single service, non-potentially hazardous food or beverage: Single service portions of prepackaged or dispensed food or drink, such as soft drinks, cider, coffee, donuts, popcorn, or ice cream novelties. All food must be from a licensed facility. No on-site preparation is allowed.
8. Sale of incidental prepackaged, non-potentially hazardous food: While farmers markets are by nature temporary, a vendor at a farmers market may sell an incidental amount of non-potentially hazardous food (five percent of sales or less). Consideration, however, must be given to the source of the product and storage once removed from the venue. A license would be required for storage of the food product.



Michigan's Cottage Food Law

The Michigan Cottage Food Law was signed into law on July 12, 2010, to foster the development of entrepreneurial food businesses. This allows small businesses to sell certain types of foods that have been manufactured and stored in an unlicensed home kitchen of a single family residence, as long as they are labeled as such. Prior to passage of this law, processing food in a home kitchen for sale to the public was not allowed.



Cottage foods are non-potentially hazardous foods that don't require time/temperature control for food safety, such as cakes, baked goods, jams/jellies in glass jars that can be stored at room temperature, popcorn, etc. Even with the passage of the Cottage Food Law, you cannot produce potentially hazardous foods in your home without a license (e.g., meat/meat products, canned fruit/vegetables, salsa or apple butter, canned pickled products, cut melons, tomatoes, or leafy greens, etc.).

The Cottage Food Law includes a limit to the amount of money you can make selling cottage foods. The limit was increased, effective October 1, 2012, from \$15,000 per year in gross sales to \$20,000 per year. The limit will increase again December 31, 2017, to \$25,000 per year.

The law may eliminate the need for licensure for a few smaller existing processors who wish to move their production operations to their home kitchens and sell in limited volumes directly to consumers. For more information, visit www.michigan.gov/cottagefood.

Nutrition and Food Recovery Programs

Many farmers markets in Michigan participate in national and state programs that provide free fruits and vegetables to low-income families. The Farmers Market Nutrition Program (FMNP) is a U.S. Department of Agriculture Food and Nutrition Service (USDA FNS) program that provides seniors and WIC clients with fresh, unprepared, locally grown fruits and vegetables with the goal of expanding consumption and improving nutrition while increasing sales at farmers markets. In Michigan, the program is administered by the Michigan Department of Community Health (MDCH) and is called Project FRESH. Eligible seniors and WIC clients receive coupons they can spend with any vendor and/or farmers market that has a contract with MDCH to accept the coupons for fresh, Michigan-grown produce.

The Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, is the nation's largest nutrition assistance program. The program is managed at the federal level

by the USDA FNS and requires food vendors to be licensed with FNS before accepting SNAP benefits for approved food items. In Michigan, the program is managed by the Department of Human Services and is referred to as the Food Assistance Program.

SNAP benefits can be used to purchase any approved food or food product for human use, or seeds and plants for use in a home garden to produce food for personal use. Clients receive their benefits via an electronic benefits transfer (EBT) system that works like a debit card to transfer their benefits to the food retailer. In Michigan, the EBT card has a picture of the Mackinac Bridge and is called the Bridge Card.

Farmers Market Resources

General Farmers Market Resources

Michigan Farmers Market Association

Resources for producers, market managers and others who are involved in farmers markets, including training, group liability insurance, networking, funding, and marketing resources. 517-432-3381; www.mifma.org

MSU Center for Regional Food Systems

517-432-1612; Fax: 517-353-3834; mhamm@msu.edu; rspirog@msu.edu; www.foodsystems.msu.edu

Farmers Market Coalition

www.farmersmarketcoalition.org



USDA Agricultural Marketing Service (AMS)

Information about starting markets, resource publications and the Farmers Market Promotion Program, a grant program for expanding and promoting local farmers markets, roadside stands, and similar agricultural ventures. www.ams.usda.gov/farmersmarkets

Farmers Markets: Marketing and Business Guide

agmarketing.extension.psu.edu/ComFarmMkt/PDFs/OvrViewFarmmarket.pdf

Understanding Farmers Market Rules

Farmers Legal Action Group, Inc., Article for farmers to understand their responsibilities and rights as vendors at farmers markets. www.flaginc.org/topics/pubs/arts/FarmersMarket.pdf

Michigan Department of Agriculture & Rural Development

www.michigan.gov/farmersmarkets;
www.michigan.gov/cottagefood

The New Farmers Market: Farm Fresh Ideas for Producers, Managers & Communities

www.sare.org/publications/newfarmer.htm

Michigan Food Law and Michigan Modified Food Code

Temporary Food Establishment Operations checklist, guidebook and other regulations. www.michigan.gov/foodsafety

Nutrition and Food Assistance Programs

Accepting Bridge Cards at Michigan Farmers Markets

Michigan Farmers Markets Food Assistance Partnership. Resource binder for farmers market managers on accepting SNAP benefits at markets. www.mifma.org

Farmers Market Nutrition Program (FMNP)/Project FRESH and Supplemental Nutrition Assistance Program (SNAP)/Food Assistance Program

U.S. Department of Agriculture Food and Nutrition Service, www.fns.usda.gov/fns;
Michigan Department of Human Services and Michigan Department of Community Health, www.michigan.gov/mdardmarketingguide



Community Supported Agriculture

Community Supported Agriculture (CSA) is a marketing system where farmers sell shares or subscriptions for their crops. Customers usually buy a share and pay in advance for their share of the harvest, then receive weekly batches of produce (their 'share') during the growing season. Under this unique relationship, a community of individuals pledges support to a farm operation so that the farmland becomes, either legally or spiritually, the community's farm, with the growers and consumers providing mutual support and sharing the risks and benefits of food production.

Next to farmers markets, CSA farms are one of the fastest growing marketing systems today because of the benefits derived by both farmers and members. CSA can be integrated with farmers market sales and other techniques. It has been an excellent strategy for many small farms, providing crucial cash flow at the beginning of the growing season.

Some CSA farms in Michigan are going to year-round or nearly year-round production and offer both summer and winter shares. Michigan CSA farms are also partnering with neighboring farmers who share their production preferences and farming philosophies to offer products from both farms that complement each other (e.g., a produce farmer may work with a beef or dairy farmer to offer beef or cheese shares at the produce CSA.)

Benefits and Challenges of CSAs

Having cash in advance of the growing season and a regular customer following provides financial security for farmers, and allows for the production of a wide variety of products. A CSA structure benefits the farmer by reducing the need for loans because the members put up capital for the seasonal operating expenses (though not initial CSA start-up costs).

Just as the farmer's input costs are basically the same, regardless of the size of the harvest, the member fees are the same, regardless of the size of the share each week. In good years, the members share in the bounty; in poor years, their shares are smaller.

CSA can be labor- and time-intensive, and you need a sound plan of action for the entire growing season, expertise in using equipment, and the ability to manage workers. On some farms, customer work days are part of the agreement. These work days not only help with getting the job done, but also give the customers a sense of ownership and pride in a job well done.

Considerations for Starting and Operating a CSA

There are several things you need to consider as you start your CSA, including: how many members to recruit; the size and price of shares you will offer; harvesting and post-harvest handling; product packaging; delivery schedules and locations; and the mix of products you will grow and sell. You may also find it beneficial to survey your customers every year to determine their satisfaction and product desires. The survey results will help you plan for the next growing season and keep your customers happy.

Operating a CSA requires expertise in growing or raising crops and excellent crop management skills to provide attractive and diverse weekly food baskets. Good customer service, planning and good recordkeeping are also required.



Planning and Recordkeeping

Managing a successful CSA can be a balancing act. Extensive knowledge of vegetables, varieties and their rates of maturity will help as you develop a system of timing and succession planting to ensure a consistent harvest throughout the season. You must be able to plan an entire season's production before the first seed is planted. Projections of how much of each variety to plant will depend on your customer base. Successful planning will lead to a successful harvest, which will give you an opportunity to expand your program in the future.

Keeping detailed production and financial records is a must with CSA. A CSA is a business. Although customers are willing to pay in advance to be a part of a CSA, they also want to be assured of a fair share and value for their money. You are also looking for a profit for your time and effort invested. Before setting a share price, you need to estimate all costs for the growing year. Don't forget to include your salary and profit margin!

If your financial estimates are wrong, you may find it hard to recover your costs; if your production estimates are wrong, you may shortchange your customers and risk losing their business. Careful recordkeeping during the start-up years is extremely valuable to help make the necessary adjustments to estimates in future years.

Resources for budget projections are included at the end of this section to assist you in determining your cost of production. Consulting with other successful CSA managers about their initial estimates may also help you develop your projections.

CSA Resources

Community Supported Agriculture in Michigan

This website includes pages for many of the CSA growers in Northwest Lower Michigan, a map of CSA farms in Michigan, resources and links for CSA and related topics, information on *The Community Farm*, a newsletter for local food and CSA interests, training resources for CSA, and more. www.csafarms.org

Community Supported Agriculture

www.nal.usda.gov/afsic/pubs/csa/csa.shtml



Agricultural Tourism (Agri-tourism)



Agri-tourism offers our state a terrific opportunity for revitalizing the link between city residents, farmers, fresh produce, domestic animals, and the land we share.

Farm businesses no longer just produce food and fiber for the market. They sell the country experience and culinary heritage of their communities. As Americans lose family ties with agriculture, many are interested in maintaining some sort of contact with farming, especially for their children. Agri-tourism offers our state a terrific opportunity for revitalizing the link between city residents, farmers, fresh produce, domestic animals, and the land we share. Bringing non-farmers to farming areas for recreation, reconnection, and to develop an understanding of the origin of their food and culinary culture are all part of the lure of agri-tourism.

Agri-tourism combines agricultural or rural settings and products within a tourism, educational or entertainment experience. It includes a broad spectrum of agricultural experiences including fruit and vegetable stands, U-pick operations, Christmas tree farms, wineries, petting farms, orchard and garden tours, farm-based bed and breakfast accommodations, corn mazes, harvest festivals, rent-a-tree programs, farmers markets, school tours, on-farm weddings, on-farm bakeries, hunting preserves, riding stables and more.

Agri-tourism is not new to Michigan. Some Michigan farm families have been in the agri-tourism business for generations, but their direct marketing businesses have been called farm markets, roadside stands or U-pick operations. These traditional agri-tourism operations are still a vital part of our state's agricultural industry today. The number, size and uniqueness of agri-tourism businesses have grown in Michigan, in response to consumer demand for an on-farm experience and local products and the farmers need to diversify their farm operations for economic success.

A typical agri-tourism operation in Michigan is sometimes hard to define. Agri-tourism can work in both urbanized areas and very rural areas. How an operation is developed or grows is based on many factors, including the desires of the family farmers, the unique local flavor of the area, the demands of the customers/visitors, local land use and zoning ordinances, and the ability or space to grow to accommodate all of these things. Some are year-round operations, and some are only open during the harvest season for the crops they are selling.

Culinary tourism is a growing trend in tourism, as consumers spend an increased amount of time and money engaging in authentic and unique food and beverage experiences when they travel. An increase in media coverage for food information (Food Network, etc.) and the Internet have helped consumers pursue this area of interest. Partnerships with chefs at local restaurants, charter fishing operators, wild game purveyors, hotels, bed and breakfasts, and Convention and Visitors Bureaus can provide exciting marketing opportunities for agricultural producers. For more information, contact the Michigan Grape and Wine Industry Council at 517-241-3415 or www.michiganwines.com.

Benefits and Challenges of Agri-tourism

Farmers have many reasons for expanding into agri-tourism enterprises. They are facing increasing pressure to sell their land for development. Farms and farmland contribute much more than jobs and dollars – they provide open space for recreation, food for Michigan residents and environmental benefits, and they represent a rural way of life that is an integral part of our state’s heritage. Value-added marketing opportunities such as agri-tourism provide much-needed revenue sources and protect our land resources by helping farm families keep farming.

Opening up farms to visitors is increasingly becoming a way for Michigan farmers to create a dependable source of revenue to ride out the uncertainties of crop prices, weather and disease, and the seasonal cycle of farm income. In many multi-generational farm families, traditional farming is not enough to support extended family. Agri-tourism provides on-farm employment for family members, increases and diversifies the market, and provides a healthy food choice to consumers.

Cross-promoting your agri-tourism business with other agri-tourism opportunities in the area brings more visitors to the area. Don’t think of your neighbors as competitors – they have a product that is unique to their farm operation, just like your product is unique to your business. For an example of a successful agri-tourism cross-promotion effort, learn about Michigan’s Casco and Ganges townships in Allegan County, and their Lakeshore Harvest Country brand identification efforts at www.lakeshoreharvestcountry.com

From a tourism standpoint, agri-tourism helps diversify the mix of products and services available to visitors and uniquely positions rural communities as tourism markets. Agri-tourism stabilizes rural economies by creating jobs and increasing community income; providing a broader market base for local businesses; and attracting businesses and small industries. People who visit farm markets or wineries are also spending money at local restaurants, gas stations, shopping districts, hotels, etc. The more opportunities available in one area, the more people will come to visit. One farm



People who visit farm markets or wineries are also spending money at local restaurants, gas stations, shopping districts, hotels, etc.



market may bring many people in, but when there are several farm markets, a winery, an antique shop, a restaurant that features local foods, and a gift shop or book store all in one area, people will flock in.

Agri-tourism is not without challenges. You must be prepared to have people coming to your farm on a regular basis. Since working farms come with some inherent safety hazards, you must take precautions to assure the safety of your visitors. This means you must meet local and state zoning requirements, which can cover areas like signage, parking, lighting, restroom facilities, fire prevention equipment, etc. Be sure you are adequately insured for bringing visitors on to your farm. You will also need to physically prepare your farm for visitors. A safe, clean, well-kept farm is inviting and will make the best impression on new customers and enhance their experience. The location of your farm may determine customer traffic rates, so a good marketing plan is key to bringing customers to your farm. And, of course, customer word-of-mouth is the best promotion your farm business can have, so operating an agri-tourism operation also requires good people skills and a high level of customer contact.

Choosing the Right Agri-tourism Enterprise and Getting Started

Agri-tourism involves a huge responsibility on your part because you will be hosting people from many walks of life. Whatever the reason you choose to start an agri-tourism venture (to boost farm income, connect with customers, provide a community service, etc.), you should do everything possible to provide a positive experience for your visitors. Again, it is best to start small and expand as you feel you can.

One way to determine what may be involved or to find out what will work in your particular area is to talk with other farmers who have developed a successful agri-tourism business. Consider the assets you already have on your farm, including the farmyard layout, existing structures, on-farm markets, etc. What aspects of agri-tourism would best complement these existing assets? If you live in an area of notable historical significance, you may be able to tie elements of that history to your operation. If you are close to urban areas, hosting specific festivals or events may be a draw. Hayrides, pumpkin patches, sleigh rides, barn dances or corn mazes may all be viable options for your farm.

The Michigan Ag Council has developed a CD/resource guide for opening a farm to visitors. “Showcasing Michigan Agriculture, A Complete Guide to Conducting a Farm Tour” can help you get a great start to your agri-tourism operation. Visit www.miagcouncil.org for more information. Additional agri-tourism resources are listed at the end of this section.

Marketing Your Agri-tourism Business

To be successful, you are going to need to attract people to your business. Getting your name out to the public and attaching a good reputation and image are effective marketing tools. Working with local media can provide exposure to your business that reaches a wide audience. Good stories attract the attention of local radio, television and newspaper reporters and can be an excellent way to let the public know about your business.

Developing printed brochures, flyers and a website are relatively inexpensive and can reach a wide audience. Make sure to include clear directions for getting to your farm and the dates and hours of operation. A logo, business cards and postcards are also good ideas. Include a guest book on the farm so people can leave their mailing and e-mail addresses, and then develop a newsletter or regular e-mail to promote activities on the farm.

There are several organizations that produce member directories, along with providing information, support and services to their members. Others offer free online listings. Consider joining a statewide or regional organization and getting listed on as many free electronic listings as possible. A list of member organizations and free listings is included under Agri-tourism Resources below.

Agri-tourism Resources

Michigan Resources

Michigan Agri-tourism Association (MATA)

P.O. Box 128, Sparta, MI 49345; Toll-free 866-964-3628;
info@michiganfarmfun.com; www.michiganfarmfun.com

Michigan Ag Council Showcasing Michigan Agriculture

Michigan Ag Council. CD/guide for opening farm to visitors.
www.miagcouncil.org

Agricultural Tourism Advisory Commission Report and Model Zoning Ordinance

Michigan Department of Agriculture & Rural Development
www.michigan.gov/documents/mdard/MDA_agtourfinal_185761_7_390314_7.pdf

Generally Accepted Agricultural and Management Practices for Farm Markets

Michigan Right to Farm Act, Michigan Department of Agriculture & Rural Development. www.michigan.gov/gaamps

Statewide and Regional Marketing Resources and Listings

Michigan MarketMaker

MSU Product Center for Agriculture and Natural Resources. Interactive mapping system that locates businesses and markets of agricultural products in Michigan, providing an important link between producers and consumers. mimarket@msu.edu; <http://mi.marketmaker.uiuc.edu>

Travel Michigan/Pure Michigan

Free listing of Michigan businesses. Click on “Add My Property”. www.travelmichigannews.org/mtr

Local Harvest

Listing of farmers markets, family farms, CSA, and other sources of sustainably produced foods. www.localharvest.org

Taste the Local Difference

Michigan Land Use Institute. Guide to local farms in Northwest Lower Michigan. 231-941-6584; Fax: 231-929-0937; tld@mlui.org; www.localdifference.org

Real Time Farms

Local food guide that includes farm, market and restaurant listings. www.realtimefarms.com



West Michigan FRESH

Directory of western Michigan family farms and businesses that sell locally grown products. www.foodshed.net/wm%20fresh%202011.pdf

Fresh. Local. Ready. Guide to West Michigan Specialty Crops

West Michigan Tourist Association. www.wmta.org/agri-tourism-579/

Farm Product Directory for Washtenaw County in Southeastern Michigan

Food System Economic Partnership; 734-222-6859

West Michigan FarmLink

Connects small and mid-size producers to schools, restaurants, hospitals and other institutional buyers. www.wmfarmlink.com

Additional Agri-tourism Resources

Top Marketing Ideas for Agri-tourism Operations, Adding Value and Personalizing Your Services

University of California Small Farm Center.
www.sfp.ucdavis.edu/agritourism/

The Handbook of Regulations for Direct Farm Marketing “The Green Book”

Washington State Department of Agriculture, Small Farm and Direct Marketing Program.
www.smallfarms.wsu.edu/WSU-pdfs/056-Greenbook-web.pdf

On-farm Stores, Pick Your Own Operations & Roadside Stands

On-farm stores, Pick Your Own operations, and roadside stands are all direct marketing methods located on the farm. Some roadside stands can be located on leased or owned property away from the farm, usually along a busier road that may offer a higher traffic volume for sales. These differ from other direct marketing options because customers travel to you to make their selection and purchase. These businesses can be individually owned, family-run, or a cooperative effort among farms.

Michigan’s Safe Food Assessment Program

Michigan’s Safe Food Risk Assessment is a small farm, scale-appropriate, voluntary program designed to educate fresh fruit and vegetable producers about food safety and to recognize those who implement safe food management practices. The free assessment is geared toward smaller growers who are not currently required to have a certified food safety audit.

Producers who successfully complete the assessment and on-site farm review will receive a certificate of completion that can be shared with their consumers and buyers.

Contact your local Conservation District or the Michigan Department of Agriculture & Rural Development (517-335-6529) to learn if the program is offered in your area.

On-farm Stores

On-farm stores, also called farm markets, traditionally sell the products grown and raised on the farm and are located in a permanent structure on a farmer's property. On-farm stores differ from roadside stands in that on-farm stores may operate year-round, offer a wider variety of products than a roadside stand, and are subject to more regulation than a roadside stand.

Many on-farm stores sell value-added products like honey, maple syrup, baked goods, ice cream, wines and preserves. Clothing and crafts made from wool and other animal products may also be sold. On-farm store operators often leverage location with tourism routes and offer both recreation and educational experiences.

Benefits and Challenges of On-farm Stores

Advantages of on-farm stores include a convenient location near production, so no travel is needed, and customers get a closer look at where their food was produced, making that important connection. On the other hand, you or your employees must be present when the market is open, and you may need to invest in shelving and coolers to display your products at their best.

When starting an on-farm store, business details like attractive displays and a good layout of products are important. On-farm stores are usually in buildings separate from your home, but some are attached to it. Depending on the market location, local ordinances and market objectives, part of the farm may need to be rezoned commercial, which may impact your tax base. Check with your local zoning and planning commission to get approval before starting any building project to make sure you comply with regulations.

You need to establish market hours that are convenient for your customers' schedules. These hours may vary according to your schedule. Your daily routine may need to be altered based on store needs for staffing. For detailed information on establishing an on-farm store, see the Resources list at the end of this section.



The "farm experience" has become an important reason for people to pick produce at a farm.

Pick Your Own Operations

Pick Your Own farms, also called U-pick farms, grow crops specifically to be harvested by customers. In this manner, the task of picking the crop, one of the higher costs of growing fruits and vegetables, is passed on to customers. U-pick farms have traditionally appealed to families who do home canning. As fewer families now can, freeze, or otherwise preserve large quantities of food, the “farm experience” has become a more important reason for people to pick produce at a farm. There continues to be an interest by families in picking produce for fresh use and, in some instances, having their children experience where their food comes from. As with many direct marketing techniques, U-pick operations can be blended with other marketing techniques such as roadside markets, farmers markets, etc., and good customer skills are a must.

Benefits and Challenges of Pick Your Own Operations

With Pick Your Own operations, customers get the freshest produce possible at a price generally lower than retail outlets. Large quantities can be picked at a reasonable price for freezing or home canning. The farmer benefits by having customers provide most of the labor to harvest, although many U-pick farms also offer pre-picked quantities at a higher price for customers who prefer the fresh produce and pleasure of coming to the farm, but don't want to do their own picking.

If you are a grower with established berry beds, you will need an efficient system for marking rows and areas that have been recently picked. Since you are letting unskilled workers into your fields or orchards, you must direct customers to picking areas, provide picking tips to prevent plant or tree damage, and oftentimes, since people tend to pick the easiest to reach fruit first, you may have to re-harvest some picking areas.

If you sell your products by weight, you will need a trade-legal scale. Some Pick Your Own farms use boxes or containers as the sale measure. This requires telling your customers what constitutes a full container and what extra charges are for overloaded containers.

As is the case whenever you bring people onto your farm, you will need to manage your liability risk carefully. Check with your insurance carrier for the best coverage for your farm operation.



A roadside stand is a booth, open-sided structure or table set-up along a roadside on or near the farmer's property during the growing season where a grower sells directly to consumers.

Pick Your Own operations can be time consuming at the peak of harvest. Many operations are open seven days a week to keep the produce from maturing too quickly and spoiling. However, you still have the flexibility to determine your own hours. You will need to assess the time you need to invest to be successful and have satisfied customers.

At Pick Your Own farms, you or your employees must be available during picking hours to handle pay lines, customer questions, complaints, parking and other issues. You will also need to adjust your field operations to picking times, so that weeding, irrigation and other farm chores are not done when customers are on the farm. This often means working late or starting early on days your picking operation is open.

Providing a pleasant experience for your customers and a quality product at a price they perceive as a good value will help you establish and maintain a successful U-pick operation.

Roadside Stands

Roadside stands are a traditional market that is enjoying a renewal. A roadside stand is a booth, open-sided structure or table set-up along a roadside on or near the farmer's property during the growing season where a grower sells directly to consumers. The stand displays farm products for sale. Most often, the products are fruits and vegetables, but may include jams, jellies or baked goods.

Often a stand is located on a farm or orchard. Produce sold in a roadside stand may be grown exclusively on the farm or may be purchased from outside sources. A roadside stand may be open only during harvest periods or throughout the year, depending on produce and other supply sources.

Benefits and Challenges of Roadside Stands

A roadside stand often represents a supplemental source of income, additional employment for family members, and a way to market surplus produce. Besides measurable financial benefits, producers establish relationships through direct exchange with customers. These relationships provide critical feedback to farmers when making planting decisions, developing customer education, and developing marketing strategies.

Roadside stands allow direct market sales without off-farm transportation costs, although some stands are located off the farm to get closer to traffic volume or population centers.

A roadside stand should be attractive to draw passing customers, and should offer enough produce for sale to give passers-by a reason to stop. If you do not live on a well-traveled road, choosing a site may be challenging. Cooperating with another landowner or business may help you establish a stand in a prime location.

Roadside stands can range from tailgate sales along streets to artistically enhanced portable stands with extensive displays and product selections. Some roadside stands are staffed; others rely on the honor system and place a canister at the stand for customers to leave payment.

Check with your insurance agent about liability issues related to your stand set-up. Local or county ordinances may also apply. You may also want to talk to others who have successful roadside stands already in place to learn from their experiences.

Wineries in Michigan

Michigan's Wine Industry

Michigan's wine industry is a sub-set of value-added agriculture and agri-tourism with a focus on wine. The industry has undergone significant transformation over the past 30 years, with changes in the variety of grapes grown and used for wine, the styles of wine produced, the quality of wine available and the facilities open to the public. In 1980, Michigan had just 10 licensed wineries and fewer than 900 acres of wine grapes. Today, Michigan has more than 100 commercial wineries producing more than 1.5 million gallons of wine annually. The vast majority of wine produced is from Michigan-grown grapes, which is helping to build Michigan's reputation as an emerging wine region. Vineyard acreage has doubled in the past decade to 2,650 acres in 2011, placing Michigan in the top ten wine grape producing states in the U.S.

Wineries are popular tourist destinations, attracting more than 1 million visitors annually. The strength of Michigan's wine producing regions as tourist destinations further supports the potential for growth in the industry. The wine industry contributes \$300 million annually to Michigan's economy and an opportunity to maintain a farming business with a satisfactory return on investment.





The Michigan Grape and Wine Industry Council, housed in the Michigan Department of Agriculture & Rural Development's Office of Agriculture Development, serves the wine industry through its research, promotion and education efforts. "Wine Industry Resources for Michigan, Start-Up Guide" was developed by the council for those interested in starting a winery. The guide can be downloaded at www.michiganwines.com/resources.php and is listed in Michigan Winery Resources at the end of this section.

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Wine trails have also been established to help promote the wineries in the various regions of the state through websites, coordinated special events and other activities. More information is available in the Michigan Winery Resources section.

Michigan Winery Resources

Michigan Grape and Wine Industry Council

517-241-3415; Fax: 517-335-1103; www.michiganwines.com

Wine Industry Resources for Michigan, Start-Up Guide

Michigan Grape & Wine Industry Council,
www.michiganwines.com/resources.php

Michigan Wine Trails

Lake Michigan Shore Wine Trail, www.miwinetrail.com
Southeast Michigan Pioneer Wine Trail, www.pioneerwinetrail.com
Wineries of Old Mission Peninsula, www.wineriesofoldmission.com
Leelanau Peninsula Vintners Association, www.lpwiners.com

Online Marketing

Opportunities Online

The Internet provides a convenient method to connect your farm business with customers. Most households have access to the Internet. This is a potentially large market for specialty farm products.

You may advertise your farm and sell products on the Internet by developing your own website or by participating in web-based farm directories (NOTE: eggs and cottage food products MAY NOT BE SOLD via the Internet, although your egg or cottage food business can be listed on the Internet). Farm homepages are an effective means for informing customers of products, when they are available, and how to obtain them. Related blogs report on-farm, family or business activities. A farm may offer details on its CSA or identify which farmers markets it sells at. These types of Web pages allow customers to see the farm and the people who work there. This enhances the personal aspect of direct marketing that many people find appealing. The latest information on product availability, farm news, product orders and other information may also be distributed to customers through an e-mail list.

For some businesses, catalog sales, either as stand-alone publications or in conjunction with online sales, are also a viable sales option. Value-added or even fresh food products may be shipped to customers throughout the country. Some businesses in Michigan use printed catalogs or the Internet to take pre-orders for products, and then deliver them via their farmers market booth each week.



Online Marketing Resources

E-Commerce Strategy Plan for Farm Markets

University of Delaware, College of Agriculture and Natural Resources, Department of Food & Resource Economics; and Innovative Exchange, Inc. www.webixi.com/webixi2012/pdfs/ECSP_Farm_Markets_Final_ls.pdf

Online Marketing Tip Sheets

Community Involved in Sustaining Agriculture (CISA). Tip sheets for creating a farm website, online store, blog and eNewsletter. www.buylocalfood.org

Michigan MarketMaker

MSU Product Center for Agriculture and Natural Resources. Interactive mapping system that locates businesses and markets of agricultural products in Michigan, providing an important link between producers and consumers. mimarket@msu.edu; <http://mi.marketmaker.uiuc.edu>

Travel Michigan/Pure Michigan

Free listing of Michigan businesses. Click on “Add My Property” www.travelmichigannews.org/mtr

Local Harvest

Listing of farmers markets, family farms, CSA, and other sources of sustainably produced foods. www.localharvest.org

Taste the Local Difference

Michigan Land Use Institute. Guide to local farms in Northwest Lower Michigan. 231-941-6584; Fax: 231-929-0937; tld@mlui.org; www.localdifference.org

Real Time Farms

Local food guide that includes farm, market and restaurant listings. www.realtimesfarms.com

West Michigan FRESH

Directory of western Michigan family farms and businesses that sell locally grown products. www.foodshed.net/wm%20fresh%202011.pdf

Fresh. Local. Ready. Guide to West Michigan Specialty Crops

West Michigan Tourist Association. www.wmta.org/agri-tourism-579/

Farm Product Directory for Washtenaw County in Southeastern Michigan

Food System Economic Partnership; 734-222-6859

West Michigan FarmLink

www.wmfarmlink.com

Michigan’s Safe Food Risk Assessment Program

Michigan Department of Agriculture & Rural Development; 517-335-6529; www.michigan.gov/mdard/0,4610,7-125-50772-275514--,00.html

Urban Gardening/Urban Agriculture

Urban Gardens and Commercial Agriculture

Urban agriculture is the practice of cultivating, processing and/or distributing food in, or around, a village, town or city. Urban agriculture can also involve animal husbandry, beekeeping, aquaculture, forestry, and horticulture.

The struggling economy and the growth of the organic and local food movements have led to an increase in the number of vegetable gardens being planted in urban settings at homes, schools, churches and community gardens. The nutritional, emotional and environmental benefits of gardening have been well-documented. However, in some cases, past uses of the site may have contaminated the soil, requiring use of simple precautions to prevent exposure to harmful substances.

Many urban gardens are finding markets for their products at farmers markets and roadside stands. Some products from urban gardens are also being used in schools and restaurants located in the community. Youth farm stands, school gardens, 4-H and Master Gardener programs have also connected with some urban gardening groups to engage even more people, young and old, in urban communities.

Urban farming is generally practiced for income-earning or food-producing activities though in some communities the main impetus may be recreation, relaxation, rehabilitation or community building. Urban agriculture contributes to food security and food safety in two ways: first, it increases the amount of food available to people living in cities; and, second, it allows fresh vegetables and fruits and meat products to be made available to urban consumers. Because urban agriculture promotes energy-saving local food production, urban agriculture is generally seen as sustainable.

Soil and water contamination concerns are also being addressed in urban communities as community gardens continue to grow and prosper. Lead, arsenic and cadmium are the main contaminants of concern because of their widespread occurrence in urban environments. Other contaminants may be a concern if the site or nearby properties have a history of industrial or commercial use.

Youth farm stands, school gardens, 4-H and Master Gardener programs have connected with urban gardening groups to engage even more people, young and old, in urban communities.





There are ways to reduce environmental health risks when gardening in urban areas. Urban gardening groups are taking precautions to minimize risk through some proactive steps. Some will help cover the costs of soil testing. Ingestion of soil and dust is the main route of exposure to soil contaminants. Recommendations for reducing the risk of exposure include washing and peeling root crops, and washing and removing the outer leaves or bottoms of leafy green crops. Reduce children's exposure by covering bare soil with mulch or sod. Increasing the organic matter content and pH of the garden soil can also limit the amount of contamination taken up by the crops. Raised beds filled with clean soil can help eliminate disturbing soils that may be contaminated.

In addition to providing healthy, fresh food choices for urban populations, urban gardens provide a place for communities to gather together. They allow for a reconnection with our agricultural roots, and are an excellent training ground for Michigan's future farmers and gardeners.

Urban Agriculture Resources

ATTRA Community and Urban Ag Resources

www.attra.ncat.org/attra-pub/local_food/urban_ag.html

Detroit Agriculture Network

www.detroitagriculture.net

Greening of Detroit

313-237-8733; Fax: 313-237-8737;
info@greeningofdetroit.com; www.greeningofdetroit.com

Growing Hope (Ypsilanti)

734-786-8401; Fax: 734-484-4481;
www.growinghope.net

Blandford Nature Center (Grand Rapids)

616-735-6240; Fax: 616-735-6255;
info@blandfordnaturecenter.org;
www.blandfordnaturecenter.org

The Garden Project (Lansing)

517-853-7809; gardenproject@greaterlansingfoodbank.org;
www.greaterlansingfoodbank.org/component/content/article/9/40-the-garden-project.html

Fair Food Matters (Kalamazoo)

269-492-1270; Fax: 269-492-1270;
www.fairfoodmatters.org/projects.php